

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2028

March 12, 2014

SUMMARY OF BILL: Requires the Comptroller of the Treasury to prepare a report identifying how the state can ensure that all proven and acceptable piping materials are included in all bids for water and wastewater projects, including how the state may encourage competitive bidding, open and free competition, and increase the quality, sustainability, durability, and corrosion resistance when procuring piping material. The report shall be presented to the Senate State and Local Government Committee and the House State Government Committee no later than January 1, 2015.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Assumptions:

- According to the Comptroller of the Treasury, such study of project-appropriate piping material would require engineering expertise outside of the expertise of the current staff, therefore consultation with a materials engineering firm would be needed.
- COT estimates the costs associated with hiring a consulting firm for the purposes of this study would increase state expenditures exceeding \$100,000.

IMPACT TO COMMERCE:

Increase Business Revenue – Exceeds \$100,000

Increase Business Expenditures – Exceeds \$50,000

Assumptions:

- Any private consulting firm hired by COT for the purposes of this study would have an increase in revenue exceeding \$100,000.
- It is unknown the actual expenditures the business will incur to perform the study. It is assumed that at least 50 percent of the revenue collected will be expended resulting in an increase in business expenditures exceeding \$50,000 (\$100,000 x .50).

- It is not anticipated that the private consulting firm will hire additional persons for the purposes of such consultation; therefore the net impact to Tennessee jobs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh